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Fentanyl's Increasing Toll on the Colorado Economy

Authors: George Brauchler, Mitch Morrissey, Chris Brown, Alexa Eastburg, and Brett Barkey

ABOUT THE AUTHORS

2022 Criminal Justice Fellows

George Brauchler

George Brauchler served as the elected District Attorney for the 18th Judicial District, Colorado's most populous district, which includes Arapahoe, Douglas, Elbert, and Lincoln counties, from 2013-2021. As a state prosecutor, he handled the felony cases from the Columbine High School mass shooting case, the Aurora Theater (Batman) mass shooting case, and more recently, the STEM Academy school mass shooting case.

Mitch Morrissey

Mitch Morrissey served as the elected District Attorney for the 2nd Judicial District covering Denver, Colorado from 2005-2017. Prior to 2005, Mitch was a trial lawyer in the Denver District Attorney's office. Mitch is internationally recognized for his expertise in DNA technology and applying that technology to solve crimes.

Common Sense Institute Staff

Chris Brown

Chris Brown is the Vice President of Policy and Research with CSI where he leads the research efforts of CSI to provide insightful, accurate, and actionable information on the implications of public policy issues throughout the state of Colorado.

Alexa Eastburg

Alexa Eastburg is a Research Analyst with Common Sense Institute. Her experience covers analyzing workforce, crime, and education issues in the state of Colorado.

Brett Barkey

Brett Barkey is a Research Analyst with Common Sense Institute. Brett is the former two-term District Attorney for the 14th judicial district in Colorado and is currently pursuing his PhD in Economics from Colorado State University.

TEAMS & FELLOWS STATEMENT

CSI is committed to independent, in-depth research that examines the impacts of policies, initiatives, and proposed laws so that Coloradans are educated and informed on issues impacting their lives. CSI's commitment to institutional independence is rooted in the individual independence of our researchers, economists, and fellows.

At the core of CSI's mission is a belief in the power of the free enterprise system. Our work explores ideas that protect and promote jobs and the economy, and the CSI team and fellows take part in this pursuit with academic freedom. Our team's work is driven by data-driven research and evidence. The views and opinions of fellows do not reflect institutional views of CSI. CSI operates independently of any political party and does not take positions.

ABOUT COMMON SENSE INSTITUTE

Common Sense Institute is a non-partisan research organization dedicated to the protection and promotion of Colorado's economy. CSI is at the forefront of important discussions concerning the future of free enterprise in Colorado and aims to have an impact on the issues that matter most to Coloradans.

CSI's mission is to examine the fiscal impacts of policies, initiatives, and proposed laws so that Coloradans are educated and informed on issues impacting their lives. CSI employs rigorous research techniques and dynamic modeling to evaluate the potential impact of these measures on the Colorado economy and individual opportunity.

Key Findings

- In 2020, Colorado experienced 540 fentanyl related deaths, an increase of 143% from 2019. In 2021, there were over 800 fentanyl related deaths, a 260% increase from 2019.*
- The total lifetime cost of 1,104 opioid related deaths in Colorado in 2021 reached more than \$15.2B, a 127% increase in costs from the prior 2017 CDC estimates. Since 2017, the share of opioid related deaths attributed to fentanyl grew from 19% to 73%, amounting to an \$11.1B total lifetime cost in 2021.
- The full public and societal costs of fentanyl must be weighed against any potential benefits from state and local policy reforms.

**The 2021 data is provisional as the official report from the Colorado Department of Public Health and Environment is expected to release within the next month.*

Introduction

Although the Opioid Crisis has been an ongoing public health issue since the late 1990'sⁱ, Colorado's policymakers, law enforcement, district attorneys, addiction rehab advocates, and researchers have recently narrowed their focus on Schedule II Controlled Substances and more specifically, fentanyl.ⁱⁱ According to the Colorado Department of Public Health and Environment, there were 222 fentanyl related deaths in 2019 and 540 – a 143% increase- in 2020. Fast forward to 2021 and that number increased to more than 800 fentanyl related deaths (an increase of 260% from 2019). 800 is a provisional count, as the final 2021 data will not be released until May 2022.ⁱⁱⁱ

Schedule II Drugs:
Drugs that have a high potential for abuse, use can lead to severe psychological or physical dependence. These drugs are considered dangerous.

In 2020, the drug overdose mortality rate for the U.S. was 27.6 per 100,000 people, an increase of 29% compared to 2019.^{iv} In Colorado, the 2020 drug overdose mortality rate was 24.9 per 100,000 people, an increase of 38% from its 2019 rate. Thus, Colorado is increasing at a faster rate than the national average. It is important to note that these overdose mortality rates are on all drug types, not solely fentanyl.

In 2019, the Colorado Legislature passed House Bill 19-1263.^v This bill made the possession of 4 grams or less of most drugs, including fentanyl, a misdemeanor rather than a felony. While policymakers have faced increasing pressure to act on issues related to fentanyl, it was not until late March 2022 that a bill related to fentanyl was introduced - HB22-1326. At the same time drug related deaths have increased rapidly, crime rates have also surged as previous CSI reports have shown.

Rate of Crime per 100,000 People			
Crime	2019	2020	Percent Change
Property Crime	2,615	2,834	8%
Robbery	66	68	3%
Burglary	352	400	14%
Larceny/Theft	1,886	1,909	1%
Motor Vehicle Theft	377	524	39%
Violent Crime	385	423	10%

Fentanyl is Far More Lethal Than Other Schedule II Drugs

According to the National Center for Drug Abuse Statistics, fentanyl is the world's deadliest opioid, being a causing factor of almost half of the world's overdose deaths.^{vi} The United States Department of Justice states that fentanyl is 80 – 100 times more powerful than morphine and 50 times more potent than heroin.^{vii} The following table contains the lethal dosages of some of the Schedule II drugs including cocaine^{viii}, codeine^{ix}, fentanyl^x, heroin^{xi}, meth^{xii}, and morphine^{xiii} and compares those weights to the lethal dose of fentanyl.

Lethal Dosage of Several Schedule II Drugs		
Drug	Lethal Dosage	How many lethal doses of fentanyl are equivalent to 1 lethal dose of other Schedule II drugs?
Fentanyl	0.002 g	
Cocaine	0.0825 g	41
Codeine	Between 0.5 – 1 g	250 – 500
Heroin	0.03 – 0.5 g	15 – 50
Meth	0.2 g	100
Morphine	0.2 g	100

On April 6, 2022, the Drug Enforcement Administration sent a letter to all local, state, and federal law enforcement regarding the nationwide increases in fentanyl related mass-overdose events.^{xiv} A fentanyl related mass-overdose event is when three or more overdoses occur at the same location and close in time. Mass overdose deaths are not unique to Colorado; nationwide, the DEA cites 7 mass overdose events in 2022 involving 58 overdoses and 29 deaths. Two of these occurred in Colorado cities, Commerce City and Cortez, entailing nine overdoses, eight of which were fatal. The following table depicts drug overdoses in Colorado and the share of fentanyl overdose deaths using the Colorado Department of Public Health and Environment data.^{xv}

Fentanyl Overdoses as a Share of Aggregated Overdose Categories in Colorado								
	2018		2019		2020		2021 Provisional	
	Total	Share of Fentanyl Overdose	Total	Share of Fentanyl Overdose	Total	Share of Fentanyl Overdose	Total	Share of Fentanyl Overdose
Fentanyl Overdose	102	N/A	222	N/A	540	N/A	803	N/A
Opioid Analgesic Overdose	349	29%	439	51%	798	68%	1,005	80%
Any Opioid Overdose	543	19%	620	36%	956	56%	1,104	73%
Total Overdoses	974	10%	1,072	21%	1,477	37%	1,659	48%

2022 Proposed Legislation to Address Fentanyl

- The focus of HB22-1326 is to increase potential sentences for the distribution, manufacture, dispense, or sale of fentanyl and enhance education, prevention, and addiction treatment.^{xvi}
- The bill clarifies that “*any amount*” of fentanyl in a compound weighing more than 4 grams will be treated as a drug felony. As presently written, the bill leaves the possession of less than 4 grams of pure fentanyl unchanged and would remain a misdemeanor.^{xvii}
- The bill requires non-laboratory synthetic opiate detection tests (fentanyl test strips) to be always in supply on all school grounds.
- If passed, the bill would require the Department of Public Health and Environment to create a statewide fentanyl prevention and public education campaign.
- Medical treatment, detoxification monitoring, and any other withdrawal care would be required by all correctional programs for those residing in the programs.

If a person has died as a close cause of using or consuming the Schedule II drug purchased, the person who distributed, manufactured, dispensed, or sold the drug is subject to a level 1 drug felony. The table below depicts the level of drug felony applicable to the amount confiscated. A level 1 felony charge is the highest level of six classification levels.

Penalty Levels for Person that Distributes, Manufactures, Dispenses, or Sells Schedule II Drugs	
Amount on Person	Drug Felony Level
Less than 4 g	Level 3
More than 4 g but less than 50 g	Level 2
More than 50 g	Level 1
Person dies that purchased the drug	Level 1

HB22-1326 includes the implementation of a policy for schools to acquire and maintain supply of non-laboratory synthetic opiate detection tests on all school grounds. To support the cost of this, the bill makes an appropriation of \$300,000.^{xviii} In addition to detection tests, the bill requires the Department of Public Health and Environment to create and implement a statewide fentanyl prevention and education campaign. According to the fiscal note, the bill requires an appropriation of \$20 million to the opiate antagonist bulk purchase fund, \$6 million to the harm reduction grant program cash fund, and \$3 million to help fund the jail-based behavioral health services program.^{xix} All of the required funding would come from the Behavioral and Mental Health cash fund, totaling \$29.3 million in required appropriations.

The treatment section requires a jail to provide prescription medication for any opiate use disorder to those who need it when released. HB22-1326 also requires community corrections programs to provide medical detoxification monitoring, medical treatment, and any other withdrawal management care while a person with substance use withdrawal symptoms is residing in the program.

The Economic Cost of an Opioid Overdose

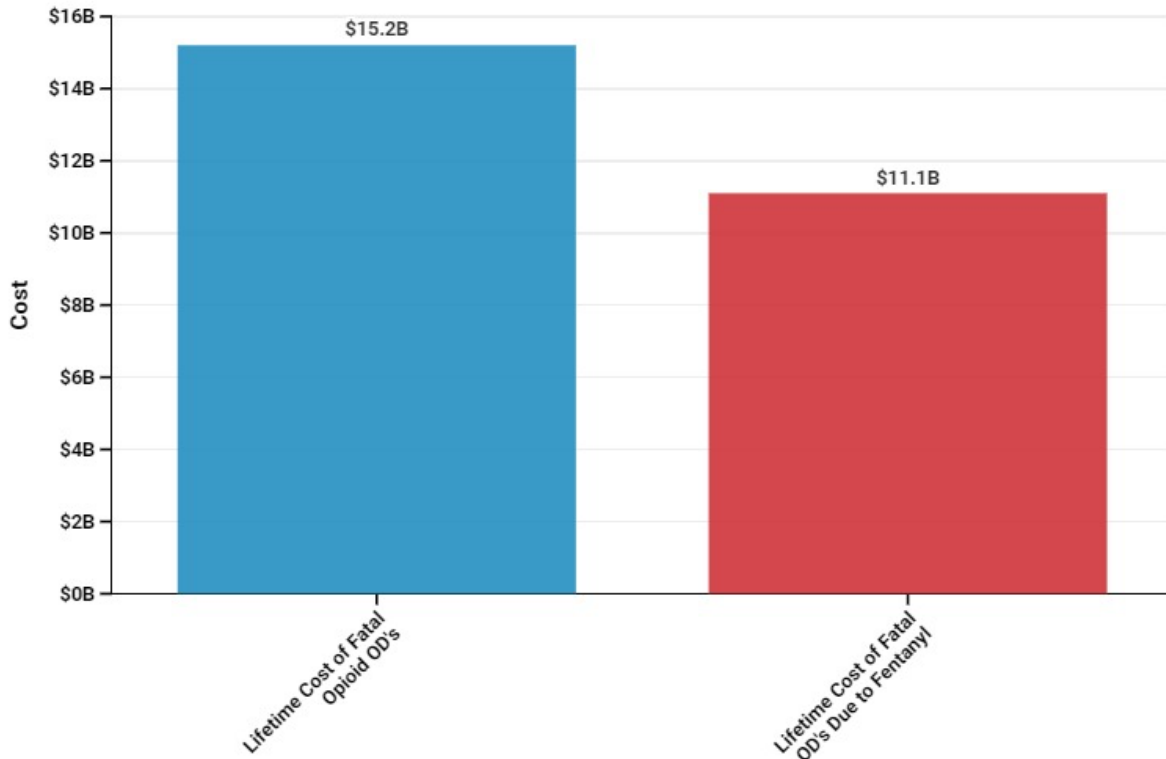
The Center for Disease Control and Prevention (CDC) methodology from “State-Level Economic Costs of Opioid Use Disorder and Fatal Opioid Overdose – United States, 2017”^{xx} was used to estimate the cost of an opioid overdose in Colorado. The CDC estimated the cost of fatal opioid overdoses for 38 states and DC in 2017. For Colorado, they found the total cost of all fatal opioid overdoses in 2017 to be over \$6.7B. The CDC used a case count of 578 fatal opioid overdoses, a per death cost of \$11.5M. Using this same approach, CSI estimated the cost per death and total costs in 2018 through 2021 by inflating the per death costs in each category by the Personal Consumption Expenditure Price Index (excluding energy and food). This raises the cost per death from \$11.5M to \$13.7M.

The total cost of any type of fatal opioid overdose in 2021 cost Colorado about \$15.2B. Fentanyl alone accounted for 73% of all opioid overdose costs, making the 2021 total cost of overdose deaths attributable to fentanyl \$11.1B.

Total Cost of Any Opioid Overdose Death in Colorado							
	Number of Opioid Overdose Deaths	Health Care	Lost Productivity	Value of Statistical Life Lost	Total Cost per Death	Total Cost for all Deaths	Total Cost Attributed to Fentanyl Overdose
2017	578	\$5,536	\$1.4M	\$10.1M	\$11.5M	\$6.7B	\$1.3B
2018	543	\$5,749	\$1.5M	\$10.5M	\$12.0M	\$6.5B	\$2.3B
2019	620	\$6,025	\$1.6M	\$11.0M	\$12.6M	\$7.8B	\$4.4B
2020	956	\$5,873	\$1.5M	\$10.7M	\$12.3M	\$11.7B	\$8.5B
2021(P)	1,104	\$6,589	\$1.7M	\$12.0M	\$13.7M	\$15.2B	\$11.1B

In CSI’s previous report, “Update: The Colorado Crime Wave Did Not Recede in 2021 An Economic Analysis of Crime,” the 2021 total cost of crime was estimated to be \$31B.^{xxi} The total lifetime cost of 1,104 opioid related deaths in Colorado in 2021 reached more than \$15.2B, a 127% increase in costs from the prior 2017 CDC estimates. Since 2017, the share of opioid related deaths attributed to fentanyl grew from 19% to 73%, amounting to an \$11.1B total lifetime cost in 2021.

2021 Cost of Crime and Opioid Overdoses in Colorado



A separate analysis from The American Enterprise Institute (AEI) estimated the cost of the opioid crisis by state in 2015 in "The Geographic Variation in the Cost of the Opioid Crisis".^{xxii} AEI estimated the opioid crisis in Colorado to be \$1,373 per capita, with the non-mortality cost per capita being \$278. This study ranked Colorado the 13th highest non-mortality cost per capita and 30th for total cost per capita in 2015.

Surrounding State's Laws

All of Colorado's neighboring states include fentanyl as a Schedule II controlled substance. However, Colorado's neighbors are split on how they treat simple possession of Schedule II controlled substances. Four states (Wyoming, Utah, New Mexico, and Oklahoma) treat simple Schedule II possession as a misdemeanor. Three states (Nebraska, Kansas, and Arizona) treat such possession as a felony. None of Colorado's neighbors address fentanyl separately from other Schedule II substances.

Colorado, Wyoming, and Utah have the potential to elevate possession of a Schedule II controlled substance to felony level. In Colorado, that occurs if a person is convicted of possessing more than four grams. In Wyoming, that is possible if the person is convicted of possessing more than 3 grams in pill form. Both Wyoming and Utah increase penalties to felony level upon the third or subsequent conviction for possession.

Although softening of drug possession from felony to misdemeanor has taken place in several states over the last decade, one state, North Carolina recently has reversed the trend. In 2021, after a surge of overdose deaths in North Carolina, the North Carolina legislature made possession of Schedule II controlled substances a felony.

Surrounding States Schedule II Drug Laws		
	Simple Possession of Schedule II a Felony?	Potential Aggravators to make Possession a Felony?
Colorado	No	Possess more than 4 grams a felony
Utah	No	3 rd or subsequent conviction a felony
Wyoming	No	3 rd or subsequent conviction a felony Possess more than 3 grams (pill form) a felony
Arizona	Yes	Already a felony
Kansas	Yes	Already a felony
Nebraska	Yes	Already a felony
New Mexico	No	No
Oklahoma	No	No

Public Policy Accountability - What is the connection between growth in fentanyl, and crime?

CSI’s previous work on crime has recommended that a data dashboard should be created that helps provide deeper insights into how recent policy changes, and trends within our criminal justice system may be impacting the growth in certain crime rates. While there are several very helpful state websites that report different aspects of the criminal justice system, or the change in vital statistics, such as drug overdoses, they do not connect with the criminal offense data.

Such a tool that could successfully link data across different systems, would be an extremely powerful tool for the community, researchers, and policymakers to combat both the crime and fentanyl/opioid crisis.

While previous CSI crime reports have discussed the type of data that would be most helpful to understand the connections between crime and such trends as a declining correctional population, growing use of personal recognizance bonds or offenders with multiple arrest, here are a few examples of information that could be reported to understand changes in drug related policy and crime.

- Number of crimes committed by individuals with 1, 2, or 3+ drug misdemeanors or felonies.
 - o It would be important to be able to isolate specific types of crime, such as property crimes including motor vehicle theft and burglary. Prior research has shown that the crimes most closely connected with drug use are income generating crimes.^{xxiii}
 - o Separate reporting for different types of drugs.

Having this data would allow for research to be conducted on the connection between drug use and Colorado’s crime rate. With crimes in Colorado increasing at a rapid rate of almost 9% in 2021,^{xxiv} the costs to Coloradans will only continue to grow, if a more nuanced look is not taken at how system changes impact system outcomes.

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- i [Understanding the Opioid Overdose Epidemic | CDC's Response to the Opioid Overdose Epidemic | CDC](#)
 - ii [Drug Scheduling | United States Drug Enforcement Administration](#)
 - iii [CoHID | Department of Public Health & Environment](#)
 - iv [Drug Overdose Mortality by State | CDC](#)
 - v [HB19-1263 Offense Level For Controlled Substance Possession | Colorado General Assembly](#)
 - vi [Fentanyl Abuse Statistics | NCDAS](#)
 - vii [Opioid Facts | The United States Department of Justice](#)
 - viii [What Is A Lethal Dose Of Cocaine? - Addiction Resource](#)
 - ix [Codeine - Opioid Medications | FDA](#)
 - x [Fentanyl Abuse Statistics | NCDAS](#)
 - xi [How Much Does It Take To Cause A Lethal Drug Overdose? - Addiction Resource](#)
 - xii [What Is A Lethal Dose Of Methamphetamine? - Addiction Resource](#)
 - xiii [Morphine Overdose | Morphine Overdose Treatment, Signs, & Symptoms](#)
 - xiv [Fentanyl in Colorado: DEA warns of rise in mass fentanyl overdoses | FOX31 Denver](#)
 - xv [Drug Overdose Dashboard | Colorado Department of Public Health and Environment](#)
 - xvi [HB22-1326 Fentanyl Accountability And Prevention | Colorado General Assembly](#)
 - xvii [HB22-1326 Fentanyl Accountability And Prevention | Colorado General Assembly](#)
 - xviii [House Bill 22-1326 Bill Text](#)
 - xix [House Bill 22-1326 Bill Text](#)
 - xx [State-Level Economic Costs of Opioid Use Disorder and Fatal Opioid Overdose — United States, 2017 | CDC](#)
 - xxi [Update: The Colorado Crime Wave Did Not Recede In 2021 An Economic Analysis of Crime | Common Sense Institute](#)
 - xxii [Geographic Variation in Cost of Opioid Crisis | American Enterprise Institute](#)
 - xxiii [Drugs and Crime Facts | U.S. Department of Justice](#)
 - xxiv [Update: The Colorado Crime Wave Did Not Recede In 2021 An Economic Analysis of Crime | Common Sense Institute](#)